

# Submission to the Productivity Commission Gambling Inquiry 2009

**Associate Professor John McDonald  
University of Ballarat**

This submission to the Productivity Commission addresses three terms of reference:

- The nature and definition of gambling
- The social impacts of gambling industries
- The impact of gambling on government budgets.

## **1. The nature and definition of gambling**

My concern here is way in which the terminology of “responsible gambling” has been appropriated and deployed to serve the interests of the gaming corporations through their alliance with governments. The prevailing definition pathologises and individualises problem gambling. It ignores the institutional wealth and power that creates the conditions for exploitation, particularly of socio-economically disadvantaged communities. It overlooks the harmful effects on families, communities and society.

Here is a brief summary of a range of definitions with my critical comments.

<b>Organisation</b>	<b>Definition</b>	<b>Comment</b>
<p>Tabcorp (Victorian Gaming Machine Industry)</p>	<p>The vast majority of people who use gambling products are recreational players – they play for entertainment, and at a level appropriate for their circumstances. However, a small number may currently or in the future have difficulty controlling their consumption of gambling products. Tabcorp believes the community, government and industry have a shared responsibility to help problem gamblers in identifying their problem, and in accessing problem gambling support services.</p> <p>Tabcorp defines responsible gambling from an individual’s perspective as follows: “Responsible gambling is each person exercising a rational and sensible choice based on his or her individual circumstances.”</p>	<p>Definition is a tautology!</p> <p>Constructs gambling as recreational behaviour based on free choice in an open and competitive market.</p> <p>The only problem is problem gamblers (not the social and economic costs and harms that affect individuals, families, communities and regions).</p> <p>Focus on individual problems and failings, rather than the power and interests of industry/government.</p> <p>Solution to the problem is identifying problem gamblers and accessing support services.</p>

<p>Victorian Local Government Association</p>	<p>Responsible gambling is the provision of gambling services in a way that seeks to minimise the harm to customers and the community associated with gambling. (Follows the definition by the Australian Institute for Gambling Research).</p>	<p>Doesn't isolate problem gamblers as only those harmed.</p> <p>Acknowledges that customers and the community are harmed.</p>
<p>Canadian Partnership for Responsible Gambling</p>	<p>Responsible Gambling Definition <i>Micro:</i> Responsible gambling is behaviour whereby the gambler: views gambling as entertainment with associated costs; sets a limit for the time and money spent and sticks to it; and recognizes that uncontrolled gambling can create problems for themselves, for others in their social network, and the community. <i>Macro:</i> Responsible gambling occurs through the collective actions and shared responsibility among a number of stakeholders, including government, gaming operators, regulators, treatment providers, community groups and individual gamblers. <i>To the Partnership:</i> For the Partnership, responsible gambling means seeking and implementing practices to reduce the risks of problem gambling.</p>	<p>Recognises three levels to which the definition applies.</p> <p>Distinguishes between uncontrolled and problem gambling.</p> <p>Recognises that uncontrolled gambling (not just problem gambling) creates problems for the gambler, family and friends and the wider community.</p> <p>Acknowledges collective responsibility for responsible gambling (not just to fix the problem gamblers).</p> <p>Partnership responsibility to reduce the risk of problem gambling (not just the occurrence of problem gambling).</p>
<p>Australian Institute for Gambling Research (UWS). (McMillen and McAllister)</p>	<p>The notion of 'responsible gambling' is a variable and dynamic concept. It is now being imported into legislation and industry codes of practice, yet there has been little discussion about the precise meaning of the term. As part of its work on responsible gambling programs for industry, the AIGR has developed the following definition: Responsible gambling is the provision of gambling services in a way that seeks to minimise the harm to customers and the community associated with gambling.</p>	<p>Demonstrates that the definition is not fixed, but has a life of its own.</p> <p>Recognises that all customers may be harmed (not just the problem gamblers).</p> <p>Recognises that the community may be harmed.</p>

<p>Dickerson (2003)</p>	<p>No formal definition of responsible gambling offered but argues that “the manner in which continuous gambling products are provided to regular gamblers is in direct conflict with responsible gaming strategies, may fail to satisfy the principle of duty of care and may be an issue best resolved in terms of consumer protection.</p>	<p>Dickerson’s Chair in Psychology at UWS was funded by Tattersalls.</p> <p>Analyses how problem gambling has been viewed variously as a mental disorder, a harmful impact, and as an addictive behaviour.</p>
<p>Blaszczynski, Ladouceu and Shaffer (2004)</p>	<p>The Reno model proposes that responsible gambling “rests upon two fundamental principles: (1) the ultimate decision to gamble resides with the individual and represents a choice, and (2) to properly make this decision, individuals must have the opportunity to be informed.”</p> <p>Responsible gambling refers to policies and practices designed to prevent and reduce potential harms associated with gambling; these policies and practices often incorporate a diverse range of interventions designed to promote consumer protection, community/consumer awareness and education, and access to efficacious treatment. It is important to clarify and separate the principles of responsible gambling from those approaches to harm minimisation and rehabilitation that are directed toward assisting gamblers that already have problems.</p>	<p>Focus on individual decision-making and provision of appropriate information.</p> <p>Recognises that responsible gambling concerns both prevention and reduction of potential harm (not just actual harm).</p>
<p>Reith (2008)</p>	<p>Argues that language is shifting from problem gambling as a medical problem/pathology to notions of individual responsibility and consumer choice. This reflects wider ideological and political shifts including the dependence of governments on gambling taxation revenue and the rise of neoliberalism.</p>	<p>Major focus of government and industry has been to promote the ideal of responsible, self-regulating behaviour in customers.</p> <p>Most definition of responsible gambling are based on responsibilities exercised (or not) by individual gamblers.</p>

Borrell (2008)	Does not offer a definition of responsible gambling, but examines how the idea of problem gambling has been conceptualised differently by both the gaming industry and academia. Argues that gamblers are seen as autonomous customers, and that problem gamblers are seen as irresponsible. The main focus for responsibility is the individual.	Importantly, argues that the issue can only be fully understood using political/economic and institutional perspectives (thus focusing on power, interests and control).
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## Conclusions

1. There is no consensus about the definition of responsible gambling.
2. The dominant view is that responsible gambling is the individual's responsibility, and therefore harm minimisation should focus on promoting individual responsibility.
3. The dominant view is that the main problem is problem gamblers.
4. The dominant view is that the problems arising from gambling affect individuals – not families, friendships, communities and regions.
5. Definitions are important. The way a problem is defined determines what you do about it.

## References

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Tabcorp. Responsible Gambling. [www.tabcorp.com.au/responsible\\_definition](http://www.tabcorp.com.au/responsible_definition)

Victorian Local Government Association. Definitions of Gambling – Related Terms. [www.gamblingadvocacy.org.au/terms.html](http://www.gamblingadvocacy.org.au/terms.html)

## **2. The social impacts of gambling industries**

The second issue that I wish to address is the social impact of gambling. There has been a great deal of speculation about the social-psychological and broader health effects of problem gambling, but there is little hard evidence. For instance, almost a decade ago, the Productivity Commission (1999: 9.38-9.41) noted that in areas of disadvantage, the social and economic effects of problem gambling may have “significant community-wide impacts” and that “social and economic stresses may have compounding impacts”. Recent Tasmanian research on low income people with a gambling problem (Law, 2005) identified high levels of relationship stress and breakdown, food shortages, general ill health, extreme debt and attempted suicide. We do not know the extent to which problem gambling causes or compounds these problems, and nor do we understand the cumulative, community-level effects of gambling. There is widespread acknowledgment of the serious lack of high quality research about the social and community impacts of gambling (McGowan, 2004; Scottish Government, 2006; South Australian Centre for Economic Studies, 2001). Most recently, the UK Gambling Commission concluded that the family and community significance of gambling should be further examined (UK Gambling Commission, 2009). This is consistent with international demands to recognise problem gambling as a public health issue - not as an addiction or individual pathology - (Korn, 2000; Korn, Gibbins & Azmier, 2003; Korn & Shaffer, 1999).

I have recently been funded for a three-year project (2009-2011) by the Australian Research Council (in collaboration with the Victorian Local Governance Association and five local councils in Victoria) to investigate the health and wellbeing impacts of the installation of electronic gaming machines (EGMs) in local communities. EGM numbers in Australia are capped at a local government level, yet the data we have available about problem gambling is collected at individual and state/national levels. Little is understood about the public health consequences of introducing EGMs in a given geographical catchment area. This empirical study is using community-level analysis and a strong research design (pre/post-test measures with a matched control community) to generate new knowledge about the health and wellbeing consequences of EGMs. This will inform decisions by government and regulatory authorities about the trade-off between the costs/benefits and the number of EGMs in a catchment area. The findings will also guide interventions to mitigate the effects of problem gambling in communities.

### **References**

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South Australian Centre for Economic Studies (2001) *The Impact of Gaming Machines on Small Regional Economies. Final Report*. Provincial Cities Association of South Australia.

UK Gambling Commission (2009) *The Role of Social Factors in Gambling: Evidence from the 2007 British Gambling Prevalence Survey*. University of Birmingham. <http://www.gamblingcommission.gov.uk>

### **3. The impact of gambling on government budgets.**

There is no doubt that governments in Australia and many other countries have become dependent on gambling revenue. The central issue I wish to address is not so much what is the impact on government budgets, but what are the wider implications of this for society and democracy?

I agree with Peter Adams' (2008) conclusion in his recent book that large-scale commercialised gambling corrupts both the economy and democratic social systems. It does this in three ways: through government-industry alliances that promote gambling and ignore public opposition; through the global reach and power of the gaming industry; and through the insidious system of benefits and privileges (such as community benefits payments) that binds groups and organisations to gambling operators, thus silencing any criticism. I trust that the Commission's Inquiry exposes the extent of this silencing. For example, I have been informed by problem gambling counsellors that they are not permitted to take on a public advocacy role that could in any way be construed as being critical of government policy. To Adams' list of three threats to democracy, I would add another: the control that is exercised by both government and industry over gambling research programs. This effectively closes down avenues of inquiry that might be critical. Governments are trapped: they are hooked on gambling tax revenue, and hold multiple and sometimes conflicting responsibilities in approving, regulating and ameliorating the negative effects of gambling.

#### **Reference**

Adams, P. (2008) *Gambling, Freedom and Democracy*, London, Routledge.